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**NINE CHICAGO PROJECTIONISTS' UNION MEMBERS AND ASSOCIATES
INDICTED IN MULTI-STATE ARSON CONSPIRACY; 20 MOVIE THEATERS
TARGETED IN RETALIATION OVER LABOR CONTRACT DISPUTES**

CHICAGO – Seven members and two prospective members of a union local in Chicago that represents motion picture projectionists were indicted for allegedly waging a multi-state campaign of violence, vandalism and arson in retaliation against three major theater companies in the midst of collective bargaining disputes, Justice Department officials announced today. A 14-count federal grand jury indictment linking a series of assaults and arson incidents at 20 theaters in 10 states in 1998 and 1999 was unsealed following the arrest of four defendants -- including the union local's current business manager -- in the Chicago area early today, announced Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois.

The indictment alleges that various defendants conspired to commit arson and conspired to travel from Illinois across state lines to commit arson, typically by activating incendiary chlorine and brake fluid devices in movie theaters from New York to Texas. The incidents – seven in Illinois and others in Indiana, Iowa, Kansas, Kentucky, New Jersey, New York, Ohio, Texas and Wisconsin – occurred while movies were being shown, resulting in the evacuation of thousands of patrons, disruption of business, and, in some cases, property damage from smoke and fire. The defendants

allegedly intended to intimidate representatives, employees and customers of the theater companies to coerce the companies into labor agreements with their union. The defendants traveled from the Chicago area to place and activate incendiary chlorine devices in theaters the companies operated in other states to avoid potential law enforcement scrutiny and adverse publicity to the union, according to the indictment.

All nine defendants were either members or prospective members of the several-hundred-member Motion Picture Projectionists, Operators and Video Technicians, Local 110 of the International Alliance of Theatrical Stage Employees of the United States and Canada, AFL-CIO, (commonly known as Local 110.) In addition to motion picture projectionists, the union represents operators of portable audio visual equipment at trade shows, conventions and other gatherings at hotels, convention centers and auditoriums in Chicago and the surrounding area.

The alleged crimes occurred at movie theaters owned by AMC Entertainment, Inc., of Kansas City; Cinemark U.S.A., Inc., of Plano, Tex.; and Loews Cineplex Entertainment Corp., of New York, which was formed in May 1998 from the merger of Loews Theatres Exhibition Group, a unit of Sony Pictures Entertainment (Sony/Loews), and Cineplex Odeon Corp.

Mr. Fitzgerald announced the charges with Larry Ford, Special Agent-in-Charge of the Chicago Office of the Bureau of Alcohol, Tobacco, Firearms and Explosives, and Thomas J. Kneir, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation. The charges stem from a nationwide investigation by ATF and FBI agents into the series of incidents that occurred over a span of 18 months. They were joined by DuPage County State's Attorney Joseph Birkett, whose office, together with the Elmhurst Police Department, provided valuable assistance in the investigation. The federal officials said the investigation is continuing.

Attorney General John Ashcroft said: "Today's indictment sends a clear message: if you endanger lives and property through violence and intimidation in order to get your way at the bargaining table, you will be caught and prosecuted to the full extent of the law. I congratulate the United States Attorney for the Northern District of Illinois, the Chicago Office of the Bureau of Alcohol, Tobacco, Firearms and Explosives, the Chicago Field Division of the FBI and the DuPage County State's Attorney and the Elmhurst, Illinois, Police Department for their outstanding teamwork in bringing this indictment."

Mr Fitzgerald said: "These acts of arson, assault and vandalism were intended to send a violent message to force the movie theaters to bend to the will of the Chicago-based union local. Today, we are sending a message back: Those who set fires in crowded theaters will feel the full heat of the law."

The defendants and the charges against each are as follows:

Albin C. Brenkus, 60, of Willowbrook, currently business manager of Local 110 who at the time was secretary-treasurer and second-in-command, managing the daily affairs of Local 110 under its business manager and eight-member executive board; one count each of conspiracy to commit arson, conspiracy to travel interstate to commit arson and obstruction of justice, four counts of arson and seven interstate travel counts;

Carl A. Covelli, Jr., 48, Westchester, a member of Local 110; one count each of arson conspiracy and interstate travel to commit arson conspiracy, four counts of arson and seven interstate travel counts;

Kent B. Dickinson, 52, of Bonfield, Ill., a union member who served on the Local 110 negotiating committee; arson conspiracy and seven interstate travel counts;

Keith J. Dutton, 48, of Chicago, a Local 110 member; arson conspiracy and two counts of arson;

Peter C. Lipa, 48, of Wonder Lake, a Local 110 member; arson conspiracy and interstate travel conspiracy;

Peter R. Macari, 41, of Plainfield, who was seeking to become a Local 110 member; interstate travel conspiracy and two interstate travel counts;

Joseph L. Marjan, 29, Riverdale, a Local 110 member; arson conspiracy, interstate travel conspiracy and five interstate travel counts;

Michael A. Rossi, 44, of Ingleside, who was seeking to become a Local 110 member; arson conspiracy, interstate travel conspiracy and two interstate travel counts; and

Gregory J. Tortorello, age unavailable, of Fort Stewart, Ga., and formerly of Bloomingdale, a Local 110 member; arson conspiracy and interstate travel conspiracy.

Brenkus, Covelli, Dutton and Lipa, who were arrested this morning, were expected to have an initial court appearance at 3:30 p.m. today before Magistrate Judge Sidney Schenkier in U.S. District Court. The remaining defendants will be arraigned at a later date.

According to the indictment, the collective bargaining agreement between Local 110 and Sony/Loews expired on Feb. 18, 1998, and contract negotiations continued until April 27, 1998, when Sony/Loews “locked out” all Local 110 projectionists from its theaters, replacing them with management and other non-union employees. In December 1997, Cineplex Odeon began negotiating a new collective bargaining agreement with Local 110, but negotiations broke down and Cineplex Odeon locked out all Local 110 projectionists from its theaters on May 2, 1998. The lockouts idled the affected Local 110 members and prompted picketing and other retaliatory actions by them for six months until a collective bargaining agreement was reached on Oct. 27, 1998. Local 110 did not have collective bargaining agreements with AMC covering workers at its theaters in the Chicago suburbs of Warrenville and South Barrington, and the union did not have labor agreements with Cinemark covering its employees at theaters in suburban Melrose Park and North Aurora.

Eight defendants -- excluding Macari -- were charged with participating, along with others known and unknown, in the arson conspiracy between November 1997 and September 1999.

Among the manner and means of the conspiracy, the indictment alleges that:

- the defendants recruited members and prospective members of Local 110 to engage in violence, vandalism and arson against the companies, their employees and patrons;
- the defendants created and activated, and caused others to create and activate, incendiary devices consisting of mixtures of chlorine and brake fluid, usually contained in drink cups or plastic bags, which produced chlorine gas and smoke and, if left undisturbed, ignited into flames;
- the defendants solicited other defendants and coconspirators to throw lighted flares and other incendiary smoke generating devices into theaters;
- the defendants caused messages -- in the form of copies of a compact disc cover of the music group *Chicago* and Chicago theater advertisements -- to be left at various theaters at which the chlorine devices were activated to communicate that they were caused by the companies' failure to enter into collective bargaining agreements with Local 110; and
- the defendants subsidized the violence, vandalism and travel of Local 110 members and prospective members, including those who activated the chlorine devices in the theaters, by paying and causing the payment of cash, as well as providing employment and other benefits.

The indictment also alleges as part of the conspiracy that in early 1998, Brenkus gave Dickinson chlorine tablets for him and others to use in setting off the incendiary mixtures in theaters. Brenkus also allegedly met with Marjan and others to explain how to assemble the devices and to recruit Marjan to place and activate them in theaters.

The indictment describes the following alleged assault and arson incidents:

<u>Date</u>	<u>Theater</u>	<u>Location</u>	<u>Defendant(s) and/or event</u>
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March 29, 1998	AMC Cantera 30	Warrenville, Il.	Dickinson / heavy chlorine smoke, fire damage and evacuation
March 29, 1998	AMC 30	South Barrington, Il.	one or more co-conspirators / heavy chlorine smoke, fire and evacuation
April 4, 1998	Loews	1471 W. Webster Chicago	at Covelli's direction, a co-conspirator assaulted and injured the theater manager by striking him in the head with a pipe
June 7, 1998	Sony/Loews	9529 E. Washington Indianapolis	Dickinson and Lipa / heavy chlorine smoke, fire damage and evacuation
June 7, 1998	Sony/Loews	3535 W. 86 th Indianapolis	Dickinson and Lipa / heavy chlorine smoke, fire damage and evacuation
July 24, 1998	Loews	Streamwood, Il.	Marjan and Tortorello / Marjan activated and threw a military signal/smoke flare device, known as an MK 13, into theater #12, and Tortorello threw a commercial smoke signaling device into theater #13, causing fires and evacuation
August 2, 1998	Loews	3349 East Patterson Beavercreek, Oh.	Dickinson and Marjan / heavy chlorine smoke and evacuation

Date

Theater

Location

Defendant(s) and/or event

August 15, 1998	Sony Valencia and Palace theaters	1998 Broadway New York	Dickinson and Marjan / heavy chlorine smoke, fire damage and evacuation of 4,000 patrons
October 3, 1998	Loews Theater 8	494 Harmon Meadow Secaucus, N. J.	Dickinson and Marjan / heavy chlorine smoke, fire and evacuation
November 14, 1998	Cinemark Tinseltown	North Aurora, Il.	Marjan and Tortorello / heavy chlorine smoke, fire and evacuation
December 5, 1998	Cinemark Movies 8	Joliet, Il.	Marjan and Tortorello / chlorine smoke and evacuation
December 5, 1998	Cinemark Movies 10	Joliet, Il.	Marjan and Tortorello / heavy chlorine smoke and evacuation
February 27, 1999	Cinemark Movies 10	6284 Dressler N.W. North Canton, Oh.	Dickinson and Marjan / heavy chlorine smoke and evacuation
February 27, 1999	Cinemark Tinseltown	4720 Mega N.W. North Canton, Oh.	Dickinson and Marjan / heavy chlorine smoke, fire and evacuation
April 3, 1999	Cinemark Movies 10	425 Codell Lexington, Ky.	Dickinson and Marjan / heavy chlorine smoke, fire and evacuation

Date

Theater

Location

Defendant(s) and/or event

May 15, 1999	Cinemark Tinseltown	3800 Dallas Pkwy. Plano, Tx.	Dickinson, Marjan and Rossi / heavy chlorine smoke, fire and evacuation of 700 patrons
May 15, 1999	Cinemark Movies 17	11819 Webb Chapel Dallas	Dickinson, Marjan and Rossi / heavy chlorine smoke, fire and evacuation of 1,000 patrons
June 6, 1999	Cinemark Movies 14	910 West Edison Mishawaka, In.	Dickinson and Marjan / heavy chlorine smoke, fire and evacuation of 700 patrons
June 27, 1999	Cinemark Tinseltown	7101 70 th Ct. Kenosha, Wi.	Dickinson and Rossi / heavy chlorine smoke, fire and evacuation
July 10, 1999	Cinemark Movies 12	1317 Buckeye Ames, Ia.	Dickinson / heavy chlorine smoke and evacuation
August 18, 1999	Cinemark	1001 West North Ave. Melrose Park, Il.	Rossi and Macari drove to the manager's residence in Elmhurst where Macari assaulted and injured the manager by striking him in the head and elsewhere on his body with a baseball bat. Rossi and Macari were promised membership in Local 110 as a reward
August 20, 1999	Cinemark	5500 Antioch Merriam, Ks.	Dickinson and Marjan / heavy chlorine smoke, fire and evacuation of 500 patrons

In addition, Brenkus, alone, was charged with obstruction of justice for allegedly directing Marjan to provide false information regarding the alleged crimes. After learning of the grand jury investigation on April 24, 1999, when Local 110 records were subpoenaed, Brenkus two months later, on Oct. 22, 1999, allegedly told Marjan that he should say that “he don’t know nobody,” and that he “don’t know nothin’.” Brenkus further directed Marjan to say “I don’t know what you’re talking about,” and regarding projectionist training Marjan and others, including Covelli, provided to Rossi and Macari, Marjan should say he “didn’t try to train nobody.”

The government is being represented by Assistant U.S. Attorneys Mark Vogel and Sergio Acosta.

If convicted, the defendants face the following maximum penalties on each count in which they were charged: arson conspiracy and each substantive count of arson – mandatory minimum 5 years and a maximum of 20 years in prison; interstate travel conspiracy and substantive interstate travel counts – 5 years in prison; obstruction of justice – 10 years; and each count carries maximum fine of \$250,000. The Court also must order restitution, and it would determine the appropriate sentence to be imposed under the United States Sentencing Guidelines.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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